

FISCAL YEAR 2005 SUPPLEMENTAL FUNDING PROPOSAL

for the

CLEAN MICHIGAN INITIATIVE BOND FUND



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Michigan Department of Environmental Quality
Remediation & Redevelopment Division

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FISCAL YEAR 2005 CLEAN MICHIGAN INITIATIVE APPROPRIATION SUPPLEMENTAL FUNDING PROPOSAL

The Department of Environmental Quality (DEQ) receives funding from the Clean Michigan Initiative bond fund (CMI) to implement its cleanup and redevelopment program. This document outlines the DEQ's proposed Fiscal Year 2005 (FY05) CMI cleanup program. It includes:

- The DEQ's request for FY05 funds for the Remediation & Redevelopment Division's (RRD) Cleanup and Redevelopment Program.
- The DEQ's list of proposed FY05 cleanup sites that will be funded with CMI.

The CMI is created under Section 6(1) of Part 196, Clean Michigan Initiative Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). It is a \$675 million general obligation bond. Funding is being requested from the "response activities at facilities" category contained in Section 7(1)(a) of Part 196 of the NREPA. The primary objective of the \$335 million "response activities at facilities" element of the CMI is to clean up contaminated sites to promote redevelopment. Successful brownfield redevelopment reduces urban sprawl and development pressures on open space and farm land. The \$335 million is to be used as follows:

- One hundred fifty-five million dollars (\$155 million) is to be used to cleanup contaminated sites to promote redevelopment.
- Seventy five million dollars (\$75 million) is for grants and loans to local units of government for response activities at known or suspected contaminated properties that have redevelopment potential.
- Twelve million dollars (\$12 million) is for grants to local units of government to assist with remedial costs at municipal solid waste landfills they owned or operated which are on, or nominated for, the federal National Priorities List (i.e., the Superfund list).
- Ninety three million dollars (\$93 million) is to be used at contaminated facilities that pose an imminent or substantial endangerment to the public health, safety, or welfare or to the environment.

FY05 DEQ Funding Request

For FY05 the DEQ is seeking an appropriation of \$37,618,035 from the CMI for cleanup programs in the RRD.

RRD CLEANUP AND REDEVELOPMENT PROGRAM

The RRD is responsible for the implementation of the state environmental cleanup program under Parts 196, CMI Implementation, and 201, Environmental Remediation, of the NREPA. CMI bond funds, under Section 8 of Part 196 of the NREPA, are to be used for response activities undertaken at facilities pursuant to Part 201 of the NREPA to address public health and environmental problems or to promote redevelopment.

The RRD is also responsible for the protection of the public health, the environment, and the natural resources of the state from releases and fire safety hazards associated with underground and aboveground storage tanks through education, innovation, pollution prevention, remediation, and compliance activities. The RRD performs activities associated with law and rule requirements for certain underground storage tanks (USTs) and aboveground storage tanks (ASTs). These requirements are under the Michigan Fire Prevention Code, 1941 PA 207, as amended, and the following sections of the NREPA: Part 211, Underground Storage Tank Regulations (UST); Part 213, Leaking Underground Storage Tanks (LUST); and Part 215, Refined Petroleum Fund (RPF).

FY05 RRD Funding Request

Under Section 8(7) of Part 196 of the NREPA, the DEQ seeks an annual appropriation from the CMI. As part of this request, the DEQ must submit a list of the cleanup project sites where it is proposing to expend funds along with the following information for each site: county, nature of activities planned, and estimated cost of these activities.

For FY05, the DEQ is seeking an appropriation of \$37,618,035 from the CMI for the Cleanup and Redevelopment program in the RRD. This document provides program information and lists of the proposed RRD CMI cleanup projects. The RRD proposes the following projects and total project costs for FY05 CMI projects, pursuant to Sections 8(1)(a)(ii), (iii), and (iv) of Part 196 of the NREPA:

PROJECT TYPE	NUMBER OF PROJECTS	ESTIMATED PROJECT COSTS
REDEVELOPMENT PROJECTS <i>Projects that are being proposed because the sites have redevelopment potential.</i>	1	\$2,000,634
ENVIRONMENTAL PROJECTS <i>Projects that are being proposed because the sites pose an imminent or substantial endangerment to public health and/or an environmental problem.</i>	46	\$35,617,401
TOTALS	47	\$37,618,035

A summary of the number of projects and estimated costs—by county—for the 47 projects is provided in the table on the following page.

**FY05 RRD CLEANUP PROJECTS – CMI
PROPOSED FUNDING BY COUNTY**

County	Amount Proposed	Number of Sites	County	Amount Proposed	Number of Sites
Allegan	\$250,000	1	Lenawee	\$250,000	1
Berrien	\$1,400,000	1	Livingston	\$2,200,000	3
Calhoun	\$870,000	1	Macomb	\$100,000	1
Cass	\$300,000	1	Monroe	\$4,300,000	2
Cheboygan	\$200,000	1	Muskegon	\$2,400,000	3
Chippewa	\$600,000	1	Oakland	\$450,000	2
Delta	\$150,000	1	Oscoda	\$1,000,000	1
Emmet	\$100,000	1	Otsego	\$100,000	1
Gladwin	\$300,000	2	Ottawa	\$200,000	1
Gratiot	\$5,500,000	2	Saginaw	\$25,000	1
Jackson	\$100,000	1	St. Clair	\$2,125,000	2
Kalamazoo	\$1,500,000	1	St. Joseph	\$3,100,000	2
Kent	\$1,997,401	6	Washtenaw	\$3,000,000	1
Keweenaw	\$500,000	1	Wayne	\$4,600,634	5
Total 47 sites -- \$37,618,035					

The RRD CMI projects proposed for FY05 funding are described in the table “RRD FY05 Proposed CMI Redevelopment Projects,” on page 4 and in the table “RRD FY05 Proposed CMI Imminent and Substantial Endangerment Projects,” which begins on page 5. The projects are listed in county order, with the following information provided for each site:

- **Site ID #** -- Number(s) used to identify the site within the state of Michigan.
- **Site Name and Address** -- The name used most commonly for the site, street address, and city in which the site is located.
- **County** -- The county in which the site is located.
- **New Site** -- This column indicates if this is the first time the site has been proposed by the RRD for state funding.
- **Cost Estimate** -- The estimated cost of the actions proposed for FY05.
- **Actions Needed** -- Actions planned to be conducted to remediate environmental issues or prepare the site for redevelopment.

RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE REDEVELOPMENT PROJECTS
(County Order)

Site ID ¹	Site Name and Address	County	New Site	Cost Estimate	Actions Needed
82001645	Detroit Riverfront Promenade Detroit	Wayne	No	\$2,000,634	Proposed actions include demolition of cement silos to facilitate redevelopment of riverfront promenade.
	Total			\$2,000,634	

*Work will be implemented in FY05.

RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
03000026	Pullman Oil Field 58 th Street Pullman	Allegan	Yes	\$250,000	Proposed actions include investigation of soil and groundwater chloride contamination.
11000373	Coloma DCPA Site* Becht Road & North Coloma Road Coloma	Berrien	No	\$1,400,000	Proposed actions include continuation of municipal water extensions where a pesticide called Dachtal has contaminated hundreds of residential drinking water wells.
13000006	Verona Well Field 250 Brigden Drive Battle Creek	Calhoun	No	\$870,000	Several volatile organic solvent contaminants were found in the city of Battle Creek's municipal water system and treatment systems were installed to address the contamination. Proposed actions include operation and maintenance of the groundwater and soil vapor extraction treatment systems.
14000002	Cass Street Edwardsburg	Cass	No	\$300,000	Dry cleaning operations caused contamination to neighboring wells. A soil vapor extraction treatment system was installed to address the contamination. Proposed actions include operation and maintenance of the treatment system.
16000073	992 South Main Cheboygan	Cheboygan	Yes	\$200,000	Perchloroethylene (PCE) contamination in the soil exceeds direct contact and indoor air criteria. Proposed actions include an investigation and response actions needed to protect public health and the environment.
17000001	Cannelton Industries South Street Sault Ste. Marie	Chippewa	No	\$600,000	Tannery operations caused contamination to the St. Mary's River and wetlands. Proposed actions include the state portion of a cost share agreement with liable parties to address soil/sediment contamination.
21000110	Gladstone Creosote Discharge Gladstone	Delta	Yes	\$150,000	At the state's request, the US Environmental Protection Agency (EPA) installed a treatment system to address high levels of polynuclear aromatic hydrocarbon compounds (PNA) along the shoreline of Lake Michigan. Proposed actions include operation and maintenance of the treatment system.

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RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
24000011	Petoskey Manufacturing Inc 200 W. Lake Street Petoskey	Emmet	No	\$100,000	Solvents and paint sludges contaminated the soil and groundwater with trichloroethylene (TCE) and dichloroethene. The contamination plume threatens the municipal water supply. A soil vapor extraction system was installed to address the contamination. Proposed actions include continued operation and maintenance of the treatment system.
26000066	Bentley Sludge Pit Bentley	Gladwin	Yes	\$150,000	Proposed actions include removal of soil contaminated from oil wells to protect public health and the environment.
	Buckeye Sludge Pit Gladwin	Gladwin	Yes	\$150,000	Proposed actions include removal of contaminated soil and sludges from oil well production operations to protect public health and the environment.
29000007	Pine R Downstream of St. Louis 500 Bankston Street St. Louis	Gratiot	No	\$1,500,000	EPA has conducted sediment removals to address contamination from the production of chemical compounds above the St. Louis dam. Proposed actions include lab analysis to determine the nature and extent of the contamination in the Pine River downstream of the St. Louis dam.
29000070	Velsicol Chemical Corporation 500 Bankston Street St. Louis	Gratiot	No	\$4,000,000	EPA will be installing a treatment system to address groundwater contamination from historical production of chemical compounds. Proposed actions include state match for the treatment system. Also, funds will be used to track movement of the contamination under the Pine River.
38000030	Spring Arbor Wash & Dry Spring Arbor Road Spring Arbor	Jackson	No	\$100,000	Tetrachloroethene, a solvent used for dry cleaning, has contaminated soil and drinking water supplies. A soil vapor extraction system was installed to remove solvent contamination from the soil. Proposed actions include continued monitoring of a limited Remedial Action Plan that restricts groundwater usage.
39000051	Portage Creek/Kalamazoo River Morrow Dam to Lake Michigan Kalamazoo	Kalamazoo	No	\$1,500,000	Paper manufacturing has caused PCB contamination along 80 miles of the river. Proposed actions include oversight of liable party actions, analytical sampling, and remedial planning.

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RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
	Walker Oil Field* Walker	Kent	Yes	\$250,000	Proposed actions include investigation of soil and groundwater contamination from chloride and petroleum hydrocarbons.
41000008	Butterworth #2 Landfill 1500 Butterworth S.W. Grand Rapids	Kent	Yes	\$500,000	Proposed actions include addressing acute and chronic groundwater/surface water interface exceedences and sampling for polychlorinated biphenyls (PCB) and mercury.
41000069	Franklin Metal Trading Corp (CEMSI) 1860 Alpine Grand Rapids	Kent	No	\$397,401	Foundry and manufacturing operations caused groundwater contamination with nickel and hex chrome above criteria. Proposed actions include design and installation of a groundwater treatment system to protect public health and the environment.
41000992	Millennium Park Oil Well Walker	Kent	Yes	\$500,000	Crude oil has leaked from oil wells that are under 20 feet of water in a lake. Proposed actions include plugging the oil wells to protect public health and the environment.
41000119	Spartan Chemical Co. 2539 28 th Street S.W. Wyoming	Kent	No	\$200,000	Operations of a bulk chemical transfer and repackaging plant have caused groundwater contamination. Proposed actions include state match for EPA installation of a groundwater treatment system.
41000202	Hoff Industries 719 Prospect Grand Rapids	Kent	Yes	\$150,000	Proposed actions include demolition of a building with significant structural deterioration that poses a safety hazard to the public.
42000013	Gay Stampsands Gay	Keweenaw	Yes	\$500,000	Copper mining has caused contamination along several miles of Lake Superior shoreline. Proposed actions include a feasibility study and design for a treatment system to address the contamination and prevent further migration.
46000022	Adrian Silos 349 Logan Street Adrian	Lenawee	Yes	\$250,000	Proposed actions include demolition of abandoned silos that pose a hazard to public safety.
47000027	Shiawassee River M59 to State Road Howell	Livingston	No	\$1,000,000	The manufacture of aluminum cast wheels has caused high levels of PCB in river sediments. Proposed actions include sediment removal to protect public health and the environment.

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RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
47000165	Whitmore Lake Rd Chlorides Brighton	Livingston	No	\$700,000	Residential wells were found to be contaminated with elevated concentrations of sodium and chloride. Proposed actions include municipal water main extension and connections to protect public health.
47000202	Diamond Chrome* 604 S. Michigan Avenue Howell	Livingston	Yes	\$500,000	Contamination from plating operations is discharging to surface water and threatening local drinking water supplies. Proposed actions include removal of the contamination source, lining of storm sewer, installation of groundwater intercept trench, and treatment of groundwater.
50000736	10 Mile Drain Area St. Clair Shores	Macomb	Yes	\$100,000	PCB contamination was found entering the drain. EPA has begun remedial actions, however, the source of contamination has not been addressed and high levels of PCB remain in the soil. Proposed actions include source area characterization and control. State actions are contingent upon EPA actions.
58000002	Consolidated Packaging Corp 1521 E. Front Street Monroe	Monroe	No	\$4,000,000	Proposed actions include remediation of PCB contaminated lagoon sludge from paper manufacturing operations next to the Raisin River.
58000003	Darling Rd Dump Site 13920 Darling Road Milan	Monroe	No	\$300,000	Approximately 2800 drums containing paint wastes, flammable solids, flammable liquids, PCBs, lead, and zinc were removed from the site. Contaminated soil and groundwater still remain and impact the Sugar Creek drain. Proposed actions include soil/sediment removal to protect public health and the environment.
61000328	Broton Road Area GW Contamination Muskegon	Muskegon	Yes	\$500,000	Proposed actions include conducting an investigation of the extent and distribution of groundwater contamination from chlorinated solvents and potential impact to residential wells.
61000051	Story Chemical Co Ott Cordova 500 Agard Road North Muskegon	Muskegon	No	\$600,000	A groundwater-extraction system was installed to stop the discharge of groundwater contaminated with organic chemicals to the creek and to remediate the groundwater contaminant plume. Proposed actions include continued operation and maintenance of the treatment system.

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RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
61000137	Green Ridge Subdivision 401 Center South Haven	Muskegon	No	\$1,300,000	Oil well production caused contamination which threatens residential wells in a subdivision. Proposed actions include municipal water connections to protect public health.
63005116	North Oxford Area GW Contamination 5 N. Glaspie Street Oxford	Oakland	Yes	\$350,000	Proposed actions include a soil and groundwater investigation of the extent of free petroleum product and to assess the potential for impact to municipal wells from chlorinated solvents.
63000165	Waterford Hills Sanitary LF 7900 Gale Road Waterford	Oakland	No	\$100,000	Proposed actions include maintenance of the landfill cap and leachate collection system to protect public health and the environment.
68000001	Hoskins Manufacturing 830 E. Kittle Road Mio	Oscoda	No	\$1,000,000	High concentrations of PCE and chromium are in the soil and groundwater from the manufacture of thermoelectric nickel and chromium alloys in the form of wire, strip and ribbon. Proposed actions include an investigation to determine the extent of contamination and conducting remedial activities to protect public health and the environment.
69000081	Stevenson Oil Company Chester Township	Otsego	Yes	\$100,000	Proposed actions include plugging an oil well and removal of contaminated soil to protect public health and the environment.
70000004	Fenske LF Ottawa Co 2637 Wilson Avenue Grandville	Ottawa	No	\$200,000	Proposed actions include operation and maintenance of groundwater and leachate treatment systems to protect public health and the environment.
73000012	Ferro Met Salvage Yard 1011 N. Washington Saginaw	Saginaw	No	\$25,000	Scrap metal processing has caused PCB and metal contamination in groundwater and soil which exceed drinking water, direct contact, and GSI criteria. The site is within 700 feet of the Saginaw River. Proposed actions include sampling to facilitate decision making and coordination with EPA.

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(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
74000162	Huron Development Landfill Springborn & Indian Trail China Township	St. Clair	No	\$125,000	Proposed actions include maintenance of the landfill cap to manage leachate and protect public health and the environment.
74000013	Winchester Disposal 3521 Petit Street Port Huron	St. Clair	No	\$2,000,000	Proposed actions include installation of a landfill cap to prevent releases of vinyl chloride and other contaminants into the wetlands and to mitigate the direct contact hazards associated with exposed landfill cells and uncontrolled releases to the wetlands.
75000129	Leonidas Area Wells M-60 and King Street Leonidas	St. Joseph	Yes	\$100,000	High sodium levels threaten residential wells. Proposed actions include installation of alternate water source for residences.
75000121	Park Township Dachtahl (DCPA)* Wilbur and Kipker Roads Three Rivers	St. Joseph	No	\$3,000,000	Proposed actions include continuation of municipal water extensions within an eight square mile area where a pesticide called Dachtal has contaminated hundreds of residential drinking water wells.
81000005	Armens Cleaners 630 S. Ashley Ann Arbor	Washtenaw	No	\$3,000,000	Proposed actions include remediation of soil and groundwater contaminated with chlorinated solvents from a dry cleaning operations. Contaminated groundwater threatens indoor air in neighborhood buildings.
82000035	Cyanokem 12345 Schaefer Detroit	Wayne	Yes	\$200,000	The site is contaminated with cyanide wastes from a hazardous waste treatment facility. This project includes removal of the contaminated soil and operation and maintenance of a groundwater treatment system to protect public health and the environment.
82001634	CYB Tool (former)* 42056 Michigan Avenue Canton	Wayne	No	\$700,000	Plating operations have caused contamination down to 17 feet below grade and threatens the Rouge River. Proposed actions include sludge stabilization to protect public health and the environment.
82001890	Wayne County/Detroit Area Historical Smelter	Wayne	Yes	\$1,500,000	Proposed actions include removal of lead contaminated soil that poses a health hazard in residential areas resulting from historical

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RRD FY05 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID	Site name	County	New Site	Cost Estimate	Actions Needed
	Project*				lead smelters.
82002112	Downriver Soil Assessment Project	Wayne	Yes	\$200,000	Proposed actions include investigation of soil metals contamination resulting from decades of air emissions from area industries.
	Total			\$35,617,401	

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